

Washington, D.C. — Today, U.S. Representative Melissa Bean (IL-8) participated in a hearing held by the House Committee on Financial Services examining the breaches of personal data that have occurred over the last several months. Those testifying before the committee included Don McGuffey, Senior Vice President for Data Acquisition at ChoicePoint Inc and Kurt P. Sanford, President of LexisNexis. The hearing focused on how consumers' information was stolen and what actions have been taken to minimize unauthorized use of stolen information. The following is from Bean's opening statement to the committee.

“The recent, high-profile data security breaches at ChoicePoint, Bank of America, and LexisNexis have continued to fuel ongoing concerns about the safety and security of Americans' personal financial data.”

“These concerns have forced Congress to once again examine how industry and government can work together to better ensure that an individual's private, personal information is adequately protected.” As a new Member of Congress and a new member of this committee, I am honored to join in this endeavor.” I know that many of my colleagues, particularly Rep. Hooley and Rep. Castle, have worked hard on this issue for many years—and I look forward to working with them as we move forward.

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“In March, Americans were shocked to learn that the private data—including the Social Security numbers, credit files, and personal health information—of nearly 150,000 Americans were sold by ChoicePoint to fraud artists posing as legitimate businesses.” However, as illustrated by the subsequent data breaches nationwide, the ChoicePoint case was not an isolated incident.” In fact, according to the Privacy Rights Center, up to 10 million Americans are victims of ID theft each year—and these numbers are on the rise.”

“Even though victims do not usually end up paying their imposters' bills, they are often left with a bad credit report and must spend months and even years regaining their financial health.” In a recent profile of an individual who fell victim to identity theft, the Chicago Tribune explained that these victims often learn “the hard way that the crime is like a chronic disease that goes into remission, only to flare up again when least expected.” It is not uncommon that for years after an identity theft, victims have difficulty getting credit, obtaining loans, renting apartments, and even getting hired by employers.”

“As the volume of personal data held by corporations, data brokers and businesses continues to increase, the issue of securing this data and protecting one’s privacy takes on particular importance. To begin addressing this issue, in early March, I joined with Rep. Maloney and Rep. Gutierrez in introducing H.R. 1069, The Notification of Risk to Personal Data Act. H.R. 1069 is the companion bill to legislation introduced by Senator Feinstein, and is based on the California notification law.”

“I believe this bill is a good first step and is based upon sound principles. However, I’m mindful that even legislation with the best intentions can create unnecessary and unforeseen burdens. We must find a solution that provides consumer protection, but is viable and meaningful in its execution. I am optimistic that this is can be done because I know the both consumers, business and the Congress share a common goal: to keep American’s personal information secure.”

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